

THE UNIVERSITY OF CHICAGO

HISTORY OF THE UNITED STATES POST OFFICE,
1607-1931

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increased to two cents in 1925,¹ but the number mailed decreased,² and the one-cent rate was restored. Advertiser demands for a cheap way to pay postage on replies led Congress to allow use of business-reply letters and cards, the post office collecting no more than two cents extra postage from the addressee.³

Federal deficits have led the Department to suggest three cent letter postage, and that step may be more than a temporary expedient. Prices in 1932 declined to those of the eighteen eighties, but postal ~~prices~~ have risen and opposition to higher letter postage may be weaker than that to other expedients for collecting a similar sum, especially if it promises self-support.

2. Second Class Postage---Newspapers and Magazines

Publications issued periodically have been granted very low rates. News-agents in 1861 secured the rates accorded to subscribers,⁴ and in 1863 periodicals were charged at the rate of five cents a quarter for a four-ounce weekly issue and a cent for those issued less often, the postage being prepaid either quarterly or annually by subscribers. Weeklies were accepted free of postage in their county, and the public prepaid two cents for each four ounces of its periodical mailings.⁵

City delivery service resulted in imposition in 1872 of

¹Act of Feb. 28, 1925, 43 Stat. 1046, sec. 201.

²R. L. Barnes, "What are Fair Postage Prices," Nation's Business, IV, 40-42 (1927).

³Act of May 29, 1926, 45 Stat. 940, sec. 2. Matter that should be prepaid, but which by inadvertence is accepted, is charged double the prepaid rate when it is delivered. Three cents an ounce is charged on short-paid ounces if one rate is prepaid (Act of June 8, 1872, 17 Stat. 302, sec. 152. 45 Stat. 940, sec. 3).

⁴Act of Feb. 27, 1861, 12 Stat. 148, sec. 11.

⁵Act of March 3, 1863, 12 Stat. 705-6, secs. 24-25. 41.

one-cent postage for periodicals of two ounces, and two cents for heavier ones, except weeklies, delivered from their local post office, a means intended to prevent the delivery service from becoming a mere newspaper agency.¹

The first periodical bulk rates were given in 1874, when publishers and news-agents won a decrease in weekly paper rates outside the county of publication to two cents a pound; while three cents was required for those issued less frequently. The postage was prepaid by stamps, and by the sender.²

Floods of advertising circulars brought efforts to exclude them from second-class postage, and the act of July 12, 1876, fixed a rate of a cent for each two ounces of publications designed primarily for advertising purposes, or which circulated free or at nominal subscription charges;³ while the act of March 3, 1879, restricted the pound rate to those dated, numbered consecutively, regularly issued at least four times a year from a known office of publication, formed of printed paper sheets without substantial binding; disseminating information of a public character, or devoted to literature, the sciences, arts, or some special industry; and having a legitimate list of subscribers.⁴

The daily newspapers in particular claimed discrimination, and in 1882 Postmaster General Howe even suggested abolition of newspaper and magazine postage.⁵ A House of Representatives committee proposed elimination of the local delivery charge.⁶ When

¹Act of June 8, 1872, 17 Stat. 296-97, sec. 99.

²Act of June 23, 1874, 18 Stat. 232-33, secs. 5-6.

³19 Stat. 82, sec. 15.

⁴20 Stat. 259, sec. 14.

⁵Postmaster General, Annual Report, 1882, p. xiv.

⁶44th Cong. 1st Sess.

in 1834 the public's rate on periodical mailings was reduced to a cent for each four ounces,¹ the publishers opened a battle for low bulk rates. A Senate committee the next year stated that prepayment by the sender had placed the burden of postage on the publishers, who had been unable to increase subscription rates; that periodical postage was a trivial part, then only four and one-third per cent, of postal revenues; that a low rate might draw profitable ~~shipping~~ business from the express companies; and that the importance of newspapers and magazines overbalanced possible loss of revenue.² The publishers' political power overwhelmed all objections, and the act of March 3, 1835, gave them and news-agents the right to send periodicals to subscribers for a cent a pound.³ Coming at a time when population, advertising, and public education were increasing, the low rate contributed greatly to multiply the number of papers and their circulation.⁴

TABLE XXXIV
PERIODICALS AND POSTAGE, 1860-1906

Year	Number of Papers	Mailings (Million Pounds)	% of Postal Revenue from Periodicals
1860	4,061	..	..
1870	5,871	..	..
1877	..	48	3.72
1880	9,723	61	..
1884	..	..	4.34
1885	..	101	..
1886	..	..	2.50
1890	16,948	205	..
1891	..	..	2.98
1900	20,806	450	..
1906	..	708	3.93

¹Act of June 9, 1834, 23 Stat. 40

²48th Cong., 2nd sess., Senate Report 2498.

³25 Stat. 367.

⁴Statistical Abstract, U.S., 1923, p. 330. 59th Cong.,

Periodical privileges were eagerly sought. One-cent pound rates of postage brought many requests for second-class privileges. Semi and tri-weekly publications in 1893 unsuccessfully sought weekly newspaper free circulation in their county and the cent-a-pound rate at local letter carrier offices.¹

Eleven years later an effort to make the weekly privileges general encountered Department opposition to the revenue loss and the increased cost of local delivery,² and also failed.

Educational and fraternal organizations sought equality with publishers, and the act of July 18, 1894, extended the cent-a-pound rate to publications of benevolent fraternal societies and lodge orders of a thousand members, to regularly incorporated institutions of learning, to trades unions, to professional, literary, historical, and scientific societies, and to the bulletins of state boards of health that conformed to the requirements of 1879.³ In 1911, their request to be relieved from having "a legitimate list of subscribers" brought a Department statement that such would unjustly favor some organizations which were largely private,⁴ and it was not granted. The next year, however, they won the right to carry advertising matter, to consider as subscribers dues-paying members who paid one-half the subscription price, and to mail exchange and sample copies up to ten per cent of the regular circulation. State departments of agriculture in 1900,⁵ and state boards or departments of public charities and corrections and state educational institutions in 1912 were

¹52nd Cong., 1st sess., House Report 1931.

²57th Cong., 2nd sess., Sen. Doc. 208.

³25 Stat. 104-5.

⁴41st Cong., 3rd sess., Sen. Doc. 815, p. 3.

1 The allowed the cent-a-pound rate for their publications. The request in 1898 of certain religious organizations for periodical rates was not favored, the Department stating that the church, parish, missionary, and other publications in question were not of a general character, but were more bulletins or circulars.²

Rules of mailing privileges followed for rates. Papers issued only during political campaigns, scientific and other conventions, the "Scientific American" and "Scientific American Supplement", and the like were admitted at pound rates, although continuous publication occasionally was not intended.³ Works of literature with paper covers were issued as a nominal series, and were sent in the mails as periodicals; and books which took the name of an existing or defunct series also were accepted at obscure post offices at a cent a pound instead of the eight-cent third-class rate that was proper.⁴ Cheap postage and low-priced paper for printing brought a flood of "blood and thunder" stories, and cheap advertising publications of no news value.⁵

Eventually the Department tried to check the abuses, sometimes by arbitrary rulings. Admissions of publications to periodical privileges increased from 5,076 in 1876 to 7,041 in 1886, and only somewhat better administration reduced those admitted to 4,905 in 1890, although half the matter was recognized as not conforming to the meaning and intent of the law.⁶ In 1898 the Department denied the pound rate for matter returned to

1st of Aug. 24, 1913, 27 Sept. 1911.

27th Cong., 1st sess., Rep. Doc. 228.

28th Cong., 1st sess., House Ex. Doc. 450 (1886).

Postmaster General, Annual Report, 1890, pp. 26-27.

1891, 1901, pp. 16, 20-21.

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publishers by news agents, limited sample copies at that rate, and charged the third-class rate for books and publications of private schools, academies, and similar educational enterprises, as well as for bundles of publications purchased by advertisers or others.¹

In the case of a publisher of cheap magazines who had operated unlawful endless-chain sales schemes and promoted a bank to secure deposits ~~by~~ and issue drafts in competition with other banks and the postal money order system, the Department directed a fraud order against his bank, held up his magazines, and indicted him for conspiracy to defraud the government of postage on the ground that the copies outnumbered the subscriptions. The Department also excluded one of the publications from the second-class privileges, but restored them to it without there being any essential change in the nature, price, publisher, or list of subscribers,² apparently finding that a storm of protest would follow extension of its criteria to all other periodicals.

Definition by law of the phrase, "legitimate list of subscribers," and exaction of a charge for undeliverable copies in order to eliminate free or advertisers gift copies and force a revision of mailing lists was sought;³ but, as Congress took no action, the Department sought to distinguish between periodicals with high-class reading matter and a legitimate list of subscribers and those of clipped reading matter with premium-induced subscription lists.⁴ Late in 1907, sample copies, of which one

¹Ibid., 1903, p. 20.

²Erwin C. Madden, The United States Government's Shame: The story of the Great Lewis Case (Detroit, 1908), pp. 112-13, 114-16, 120-21, 131.

³Postmaster General, Annual Report, 1907, p. 237.

hundred per cent of the number on the subscription list had been accepted, although legitimate publications mailed only two per cent, were accepted at the cent-a-pound rate up to only ten per cent, others being charged at the public or transient rate of a cent for four ounces; while unused sample copy quotas were made usable at any time during the year. Subscribers in arrears were ordered stricken from the lists if they did not request extension of credit, and publishers were forbidden the right to maintain suburban offices as a means of securing pound rates on deliveries by city carriers.¹ Random tests showed a large number of subscriptions were not genuine, and when the false ones were eliminated fourteen cheap magazine lists were shortened by from 16 to 32 per cent, the 2,495,000 names decreasing 49 per cent to 1,222,000.² The ruling of 1917 that subscriptions at less than half the regular advertised price were nominal and illegitimate was said to have placed circulation on a higher plane by eliminating unfair competition.³

The Department long sought higher periodical postage.

Growing postal deficits brought close attention to periodical bulk rates; and, after sample weighings in 1907, the Department declared that the loss on newspapers and magazines in 1908 was \$4,120,027, more than half the postal deficit, while the profit from letters and cards was \$53,674,193. Periodicals were about 63 per cent of the domestic mail matter handled, but they yielded only 5 per cent of the postal revenues,⁴ their postage being only 1.14 cents a pound while they cost the postal system 9.23

¹40th Cong., 1st sess., SEN. REP. 270, pp. 13, 53.

²42nd Cong., 1st sess., SEN. REP. 26, pp. 4, 12.

³Postmaster General, ANN. REP., 1917, pp. 64-65; 1919, p. 22.

⁴IBID., 1909, pp. 8-9.

cents.¹ Since sacks of periodicals averaged 40 pounds, ten times the weight of letter pouches, the mail messenger service was said to exist largely for periodicals, which also occupied 62.93 per cent of the postal car space.² Postal officials in 1911 suggested a rate of four cents a pound on the advertising pages of magazines that mailed four thousand pounds each issue, which would double the total magazine rate. Thirty-four of the principal magazines then ~~advocated~~ that the proposal would kill both a majority of the popular ones and the letter mail their advertising created,³ to which the Department retorted that some of the objectors earned tremendous advertising profits, and also that as many publications were mere trade catalogues they ought to pay the printed matter rate of eight cents a pound.⁴ The publishers were influential and no action was taken at that time.

Economical handling methods encountered publisher opposition. Increased weight of newspapers and magazines already had led the post office to seek means of reducing their postal costs. In 1896 it began systematically to have publishers separate mailing lists, packages, and sacks of periodicals by rural routes, towns, railway post office routes, and states in order to speed delivery and to reduce the cost of distributing them. In June, 1896, sixteen offices received 52.5 per cent of the publishers' sacks fully and 17.8 partly distributed; and in June, 1909, they received 74.8 per cent fully and 19.6 per cent partly distributed. In 1909, too, the copies of 8,384 publications received at 166 of the largest offices were 77.32 per cent fully and 15.97 per cent

¹ 41st Cong., 3rd sess., Sen. Doc. 894.

² 41st Cong., 2nd sess., Sen. Doc. 410.

³ 41st Cong., 3rd sess., Sen. Doc. 820, p. 3.

⁴ Id.

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partly distributed.¹ The post office lacks authority to require distribution of publications by senders except as different postage rates are due,² but discrimination in attention can practically enforce it.

Freight periodical transportation brought further savings. In 1911 matter for which speed was considered unessential was moved from Buffalo and Pittsburgh to Chicago, St. Paul, Council Bluffs, Cincinnati, ~~and St. Louis~~ St. Louis in fast freight trains. Matter was transferred to freights at intermediate points, where mail also was shifted to mail trains for delivery.³ The next year, mail freights were added between Washington and Atlanta, and also between Cincinnati, Chattanooga, and Atlanta.⁴ The financial savings from the freights were large, amounting to \$1,427,432, or 64.9 per cent of the regular mail train cost, in 1914; \$574,390, or 43.7 per cent, in 1918; and \$498,858, or 36.5 per cent, in 1919.⁵ Publishers complained of the freight transportation, however, and the appropriation bill for 1913 forbade its extension.⁶ Freights could travel as fast as local passenger trains, but the publishers and the public wanted limited and fast mail service if they could secure it at no higher postage charges. The power of the publishers also was shown in the fact that in 1919 circulars and catalogues were being distributed in post offices and terminals, leaving railway postal clerks free to concentrate on

¹Postmaster General, Annual Report, 1909, p. 167.

²Act of Oct. 3, 1917, 40 Stat. 328. Act of Feb. 28, 1923, 43 Stat. 1066, sec. 202.

³Postmaster General, Annual Report, 1911, p. 136.

⁴Ibid., 1914, p. 168.

⁵Ibid., 1914, p. 160; 1918, p. 26; 1919, p. 27.

⁶Ibid., 1914, p. 60.

newspapers and letters.¹

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War-time brought increased periodical postage. The World War brought partial and temporary success to the long Department effort to increase periodical postage. At the same time that first-class rates were increased, the act of October 3, 1917, set zone rates for the advertising portions of periodicals and also increased the rate on other portions.² The rates were increased each year until in 1924, the non-advertising portions of religious, scientific, and similar publications paid $1\frac{1}{2}$ cents and others $1\frac{1}{2}$ cents a pound; while the zone rates on advertising portions ranged from 2 to 10 cents a pound. Weekly newspapers retained the free-in-county and cent-a-pound privileges, as well as exemption from the cent-a-copy rate to which other publications for local delivery were subjected in 1872.³ Periodical rates thus were slightly more than doubled. In 1924 the average rate on all pound rate mailings was 2.09 cents, that on those of which a portion was subject to zone rates was 2.38 cents, and the advertising portion zone charge averaged 3.4 cents.⁴

Publishers fulminated against the new rates, predicting suspension of many papers, increase of subscription and advertising rates, development of sectionalism, and injury of magazines devoted to the home, education, religion, business, agriculture, and science.⁵ Labor and materials costs and business fluctuations undoubtedly were more important factors than postage in the

¹Ibid., 1919, p. 27.

²40 Stat. 327-28, sec. 11.

³Postal Laws and Regulations, 1924, pp. 166-68.

⁴Postmaster General, Annual Report, 1924, p. 41.

⁵Lacy Salmons, The Newspaper and Authority (New York, 1923), pp. 152-70.

decline in the number of publications from 23,337 in 1917 to 20,665 in 1923.¹

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TABLE XXIV
WEIGHT AND HAUL OF PERIODICALS*

Type of Publication	% Weight		Miles Average Haul	
	1909	1923	1909	1923
Daily Newspaper . .	40.50	44.79	291	246
Other Newspapers . .	15.23	8.85	558	366
Scientific	1.50	.	904	.
Educational . . . .	.64	.	734	.
Religious	5.91	.	683	.
Trade Journal . . .	4.94	.	606	.
Agricultural	5.00	.	598	.
		21.54		674
Magazine	20.23	.	1,049	.
Miscellaneous . . .	6.25	.	1,128	.
		23.00		800
All	100.00	100.00	613	495

*Postmaster General, Annual Report, 1909, p. 33. 66th Cong., 2nd sess., Sen. Doc. 162, "Cost of Handling Mail Matter," (Washington, 1924), Part 1, p. 75.

Large postal deficits followed the post-war salary advances and increased payments for transportation, leading to new cost accounting studies. The mathematical cost ascertainment for 1923 showed a loss on periodicals of \$74,712,849,² but did not consider priority or value of service, and was questioned.³ To secure presidential approval of higher postal salaries in 1923, Congress modified the rate on advertising pages, wiped out the

¹Statistical Abstract, U.S., 1923, p. 330.

²66th Cong., 2nd sess., Sen. Doc. 162, Part 1, p. 169.

³Congressional Record, LXVI, 3406-7 (Feb. 10, 1923). To be sure, any conclusions would have been questioned by someone.

one-fourth cent discrimination in favor of the publications of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations or associations not conducted for private profit, and increased the transient mailing rate to two cents for each two ounces up to weights that took parcels post rates, the last being a two to four-fold increase.¹

TABLE XXVI
PERIODICAL ADVERTISING PORTION POSTAGE²

Parcels Post Zones	Pound Rates effective in		
	1921	1923	1929
Numbers	\$	\$	\$
1 & 2	2	2	1½
3	3	3	2
4	5	6	3
5	6	6	4
6	7	6	5
7	9	9	6
8	10	9	7

¹No zone charge was made for only 5 per cent of an issue devoted to advertising, nor for only one pound of an edition or issue to a zone (United States Statutes at Large, II, 328; XLIII, 1366; XLV, 940. Postal Laws and Regulations, 1924, p. 166).

Publishers continued to rankle under the zone rates, and in 1928 finally demonstrated their power by winning a reduction in the advertising portion zone rates of from one-sixth to one-half, and a flat rate of 1½ cents to the first and second zones.² The net effect was to wipe out a considerable part of the earlier increases, the average rate on all pound mailings in 1931 being 1.73 cents, while that on mailings subject to zone rates was 1.92

¹Act of Feb. 20, 1925, 43 Stat. 1066-67, secs. 202-4.

²Act of July 1, 1928, 45 Stat. 940, secs. 4-5.

sents, these being declines since 1924 of 17.8 and 21 per cent respectively. The transient mailing charge was reduced to a cent for two ounces, and an extra full rate was required for copies that numbered 32 to 45 to a pound and also for each extra 16.

Restoration of the 1921 periodical postage rates appeared probable in 1931, but the publishers have shown great capacity for winning their demands. Publishers' influence is strong, and while one may ~~tend to agree~~ with Postmaster General Brown that periodicals meet more than their direct cost,¹ it appears certain that, except for rural delivery and small post offices, postal plant, organization, and overhead would not remain the same if periodical mailings were reduced, but instead would decrease. In 1931 the revenue loss from special periodical rates was estimated at \$1,097,075, which was composed of \$392,496 because of the flat rate of 1½ cents a pound on religious, educational, scientific, philanthropic, agricultural, labor, and fraternal publications regardless of the size of their advertising portions; and of the free-in-county matter loss of \$704,579 calculated at a cent a pound.² However, this by no means approximates the difference in revenue from special rates, which would be measured only by subtracting the payments made from the amount that would be charged if all were charged the same rates. Periodical privileges also might be measured by the rates charged third-class or printed matter, recently merged with merchandise.

3. Printed Matter and Merchandise Postage

New classes of mail matter were developed during and after the Civil War. A third class was recognized by the act of

¹Postmaster General, Annual Report, 1930, pp. 4-5.

²Ibid., 1931, p. 54.

February 27, 1861, when packages of maps, engravings, lithographs, photographic prints, books, phonographic (evidently photographic instead) paper, and envelopes of four pounds or less weight were admitted to domestic mails at a cent an ounce, prepaid, for 1,500 miles and two cents an ounce for greater distances. The same rates also applied to packages of seeds or cuttings of no more than eight ounces, and to packages of cards or blanks of at least eight ounces. ~~Non~~Medical printed matter conveyed by the overland route was charged a cent for the first three ounces and a cent more for each extra ounce.¹ The act of March 3, 1863, included in the new class all mailable matter that was not correspondence or periodicals, and at two cents for each four ounces to one address; but books were charged four cents for four ounces, and unsealed circulars to one address went at two cents for each three copies.²

The third class was expanded in 1872 to include samples of metals, ores, minerals, and merchandise not over twelve ounces,³ and the next year packages of seeds, roots, bulbs, and scions up to four pounds were admitted at a cent for each two ounces;⁴ while in 1879 a cent for each two ounces was fixed for printed matter; and merchandise, in which was included seeds and other plant nursery products, was separated into a fourth class at a cent an ounce rate and with a weight limit of four pounds.⁵

Transportation interests were alarmed at merchandise mails. Express company efforts in 1884 to double the third-class

¹12 Stat. 169-70, secs. 12-13, 14.

²Ibid., pp. 703-4, secs. 20, 24.

³Act of June 8, 1872, 17 Stat. 300-1, sec. 133.

⁴Act of Jan. 9, 1873, 17 Stat. 406-7.

Rate were opposed by the House of Representatives post office committee on the ground that the post office was of particular service to industry and the public in areas that were without express facilities.¹ In 1880, however, it opposed reduction of the rate to a cent for each four ounces, stating that the postal service needed improvement and that the employees were entitled to increased pay.²

In 1925, ~~printed~~ matter pieces that weighed more than eight ounces were given the advantage of parcels post rates, and, except that books and catalogues retained the cent for each two ounces rate, the third-class charge was increased to one and one-half cents.³ The act of May 29, 1928, also developed a new rate of twelve cents a pound or a minimum of a cent for each piece of identical printed or duplicated matter mailed in bulk lots.⁴ Printed matter thus has developed a number of varied rates the same as periodical matter.

Long agitation preceded a parcels post. Express companies in 1886 also sought to double the merchandise or fourth-class rate of a cent an ounce, but a Senate committee declared such a change unjust when publishers sent matter free or for a cent a pound.⁵ The letter rate was not applied to merchandise, but a movement developed for yet lower rates.

Conventions with a number of foreign countries in 1897 and years thereafter required receipt of foreign parcels, and the public soon complained because domestic packages of more than

¹49th Cong., 1st sess., House Rep. 1355.

²50th Cong., 1st sess., House Rep. 175.

³Act of Feb. 28, 1925, 43 Stat. 1053, sec. 206.

⁴45 Stat. 940.

⁵49th Cong., 1st sess., Sen. Rep. 440.